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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 02/27/09

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ARTICLES:

- (1) Japan-U.S. Summit: U.S. places high expectations on Japan (Part

2)

ASAHI (Page 2) (Slightly abridged)
February 26, 2009

President pins hopes on Japan's economic power, urges Japan to expand domestic demand to conquer financial crisis

"Why has Japan come first?"

"That is because Japan is our great partner."

U.S. President Barack Obama, sitting next to Prime Minister Aso, promptly replied to a question by a reporter in the Oval Office just before the start of their private meeting.

Obama added: "Japan is the cornerstone of U.S. security policy in East Asia and a major U.S. economic partner." Secretary of State Hillary Clinton, who has just returned from a round of visits to Asia, was also in the meeting room.

The Obama administration's stance of placing emphasis on Japan was underscored by Clinton's section of Japan as the destination of her first overseas trip in her new role and Obama's invitation of Aso to the White House as his first foreign guest. Pointing out that the administration has assigned persons knowledgeable about Japan to the State Department and the Defense Department, some sources familiar with Japan-U.S. relations take the view that its consideration to Japan might be more than the Bush administration's in its first term.

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However, the U.S. side is fully aware of the fact that the Aso administration is significantly losing its grip on power.

On the day of the Japan-U.S. summit meeting, major U.S. newspapers carried articles dispatched from Tokyo, with such titles as: "Japan's embattled leader to meet Obama" (Washington Post) and "Japan's Prime Minister Aso aims to improve image through U.S. visit" (Wall Street Journal). These titles emboss the prime minister's plight.

The Washington Post also reported on the front page that the rate of public support for President Obama was 68 PERCENT in its latest opinion survey. This figure is in contrast to the slightly over 10 PERCENT level for Aso.

One Obama administration source called the prime minister "a dead dog." As shown by this, the administration properly understands the current state of Japanese politics. In addition, those knowledgeable of Japan share this view: If the Democratic Party of Japan (DPJ) assumes political power, "it will become somewhat difficult to manage the bilateral alliance," said former Deputy Secretary of State Richard Armitage. Particularly focusing on the DPJ's views, such as comparison of the Japan-U.S. alliance and the United Nations as diplomatic tools, some U.S. government sources define the DPJ's way of thinking as a "high school student's composition."

Despite such Japanese circumstances, Washington places unprecedentedly high expectations on Japan, because in the Asia Pacific region, there is no other nation but Japan that has great national power and on which the U.S. can rely. The global economic crisis, climate change and other crucial international challenges cannot be resolved by the U.S. alone.

Chuck Todd, NBC chief White House correspondent, said: "Now that the U.S. needs help to override the ongoing economic crisis, there is no more essential economic partner than Japan."

In the summit, Obama urged Japan to expand domestic demand. He also expressed hopes to see that Japan will create more jobs related to environmental technologies and stabilize its exchange market. When considering the Aso administration's limitations, however, the U.S. apparently has placed such expectations not on the administration but on Japan and its people. The question is whether Japan will be

able to respond to the U.S. expectations.

(2) Diet debate likely to kick off March 11 on Guam relocation

RYUKYU SHIMPO (Page 2) (Full)
February 27, 2009

The government made a cabinet decision on Feb. 24 to present the Diet with the already-signed agreement on relocating U.S. Marines in Okinawa to Guam. The Diet is likely to enter into deliberations on March 11 over the Guam relocation pact, given the House of Councillors' schedule for its deliberations on the fiscal 2009 budget that is expected to clear the House of Representatives today. The House of Representatives Foreign Affairs Committee will hold a meeting of its directors to schedule deliberations. However, if the opposition bench calls for early entry into deliberations, the Diet could then enter into deliberations on March 6.

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The House of Representatives Foreign Affairs Committee regularly meets on Wednesdays and Fridays. The committee can meet on March 4 at the earliest. In the first week of March, however, the House of Councillors will start deliberations on the budget with all cabinet ministers attending. Accordingly, the House of Representatives Foreign Affairs Committee can hardly be scheduled to meet that week with the foreign and defense ministers attending. The committee will therefore hold a meeting of its directors during the latter half of the first week of next month and will likely decide to enter into deliberations on March 11 in the second week of next month.

In addition to the Guam relocation pact, the Foreign Ministry is going to present more than 10 treaties to the Diet. In normal cases, the Diet deliberates on several treaties all together or separately. The Guam relocation pact has direct bearing on the budget, so it is expected to be subject to separate deliberations. If the House of Representatives Foreign Affairs Committee meets on March 11, the Guam pact will likely be debated on a priority basis.

The House of Representatives is expected to pass the Guam relocation pact with a majority of votes in favor of it, given the ruling coalition holds a majority of the seats in the lower chamber. However, once the Diet debate kicks off, all eyes will be on the leading opposition Democratic Party of Japan (Minshuto), which is opposed to relocating Futenma airfield as specified in the Guam relocation pact and which is upholding its advocacy of relocating the airfield elsewhere outside Okinawa Prefecture or Japan. In the case of treaties up for Diet approval, the House of Representatives takes precedence over the House of Councillors. Accordingly, any treaties before the Diet will be approved spontaneously 30 days after they are sent to the House of Councillors even if they are left pending in the upper chamber, and the Guam pact will come into effect in as early as April.

(3) Relocation scale variable: Nakasone

RYUKYU SHIMPO (Page 2) (Full)
February 27, 2009

Foreign Minister Hirofumi Nakasone, sitting in yesterday on the House of Representatives Budget Committee, answered an interpellation over the planned relocation of 8,000 U.S. Marines in Okinawa and 9,000 family members to Guam and indicated that the Guam relocation's scale could change. "The number of persons is always variable and this is not the actual number of persons," Nakasone stated before the committee. "This is, so to speak, an approximate number based on the number of troops," he added. He was replying to a question asked by Seiken Akamine, a House of Representatives member of the Japanese Communist Party.

Prime Minister Taro Aso, who will visit Okinawa Prefecture on March 7, was asked about where to visit in Okinawa Prefecture. Aso stated, "The Liberal Democratic Party is coordinating the schedule for me as LDP president, and I don't know the schedule." He was replying to a question asked by Kantoku Teruya, a House of Representatives member of the Social Democratic Party.

(4) DPJ's Maehara in Lower House committee calls for review of Three Principles on Arms Exports

AKAHATA (Page 2) (Full)
February 27, 2009

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In a House of Representatives Budget Committee session on Feb. 26, Seiji Maehara, vice president of the main opposition Democratic Party of Japan (DPJ), called for a review of the Three Principles on Arms Exports, which ban Japan's weapons exports based on its pacifist Constitution. He made the request in order for Japan to promote joint development of arms with other countries.

Maehara, who took the floor to question Prime Minister Taro Aso about his visit to the United States, repeated his stock argument that Japan should jointly develop arms and equipment with other countries. He stated: "It is now time for Japan to review the contents of the Japan-U.S. alliance. Where should we start?" He then added: "Since the Three Principles on Arms Exports prohibit Japan" from jointly developing weapons with other countries, "reviewing them is unavoidable."

Referring to the 2004 chief cabinet secretary's statement, which regarded Japan-U.S. joint development and production for "a missile defense system" as an exception to the Three Principles, Aso responded: "We have decided to study every individual case and then reach a conclusion."

(5) Japan, China to start talks on two treaties: extradition treaty and prisoner-transfer treaty; Foreign ministers expected to reach agreement to start negotiations

ASAHI (Top Play) (Full)
February 27, 2009

Foreign Minister Nakasone, who will visit China on February 28, is expected to reach an agreement with his Chinese counterpart Yang Jiechi to begin negotiations on concluding a treaty to extradite suspects and a prisoner-transfer treaty. They are also expected to agree to start negotiations to conclude an agreement on search and rescue operations in the East China Sea. Agreement also will be reached to expand the teacher exchange program to 1,500 teachers over the next three years.

The extradition treaty would allow suspects who fled to their home country to be sent back to the other country for trial. The treaty on prisoner transfer is intended to make those convicted of crimes in each other's country serve out their prison terms in their country. Japan has so far only signed extradition treaties with the U.S. and South Korea. Regarding a prisoner-transfer treaty, Japan is a signatory to an international agreement prepared by the Council of Europe. However, a treaty with China on the transfer of prisoners would be the first bilateral accord for Japan.

Chinese nationals accounted for about 30 PERCENT of foreign prisoners in Japan as of the end of 2007. If the two countries sign such a treaty, it would reduce the burden on Japanese prisons and help Chinese convicts rehabilitate themselves through prison terms in their own country. The planned extradition accord will also speed up criminal investigations.

Japan has already signed maritime search and rescue agreements with the U.S., South Korea and Russia. Such an agreement with China would help materialize a previous agreement to turn the East China Sea into a "sea of peace, cooperation and friendship" for the two countries, following the agreement on the joint development of gas fields signed in June last year.

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The exchange of teachers has also been carried out as part of

exchanges of young people. However, its scale was small. Both countries have determined that the role of teachers is important in improving public sentiments toward each other's country. The size of teacher exchanges will be expanded to 1,000 from China and 500 from Japan. The teachers would come from elementary, junior and senior high schools, as well as universities. They would deepen mutual understanding by observing classes.

Top leaders of both countries last year visited each other's country a record five times in the history of relations between the two countries. The two countries will reach an agreement at the upcoming foreign ministerial meeting to strengthen broad-based collaboration with the aim of maintaining close bilateral relations in 2009, as well.

(6) IWC proposal seeks mutual compromises in dispute over whaling

NIKKEI (Page 2) (Full)
February 25, 2009

A panel of the International Whaling Commission (IWC) released a report in early February that suggested allowing Japanese whalers who specialize in small whales to catch minke whales in Japan's coastal waters. But the report also called for reducing or discontinuing large-scale research whaling in the Southern Ocean. Will this proposal contribute to bringing about a settlement in the dispute that has continued over Japan's research whaling since the 1980s?

The panel began discussing future options for the IWC in earnest last year, joined by 31 countries, including Australia, which opposes whaling. Chairman William Hogarth and others members of the panel compiled the report on their own discretion, based on the contents of the discussions.

The report takes up more than 30 items, of which points at issue are Japan's research whaling and coastal commercial whaling. The IWC report suggests that Japan should reduce the number of whales caught in the Southern Ocean under the research whaling program by 20 PERCENT each year and make the number zero in five years or place restrictions on research whaling with an upper limit set.

According the chairman's report, the panel would maintain for five years the general principle of allowing minke whales to be taken in Japanese coastal waters, while freezing commercial whaling (moratorium). Although the report is a stopgap compromise proposal, it is significant in that it urges pro-whaling and anti-whaling countries to make mutual concessions.

Agriculture, Forestry and Fisheries Minister Shigeru Ishiba commented: "Japan will reject a proposal that would halt its research whaling."

Kazutaka Sangen, the mayor of Taiji in Wakayama Prefecture, also said: "The research whaling in the Southern Sea and the coastal whaling share the same destiny. If Japan suspends the research whaling program, it might be told to also stop coastal whaling five years later. Japan as a whole should consider what response it should make." Taiji is a town that has been whaling for 400 years.

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The mayor, however, also said: "If scaling down research whaling in the Southern Ocean is possible, we can offer cooperation." Some coastal whalers have begun to call for reviewing the research whaling program in the Southern Ocean, given that the program has gradually expanded. The mayor's remark also reflects the reality that coastal whalers have had to put up with the situation.

Whale meat marketed as a by-product of the research whaling has increased about five times more than the level at the start of the program to about 5,000 tons annually. But meat prices have dropped to half of what they were at their highest level. Coastal whalers catch species that are excluded from WTO regulations, such as the Baird's beaked whale, although the catches are placed under restraints set by the Fisheries Agency. They have continued

operations in the red.

Before the moratorium was introduced, coastal whalers took 300 to 400 minke whales annually. Recently, though, such whalers have become mere research whaling's subcontractors. Coastal whalers have seen the expansion of research whaling as pressure on the "private business" by the "government's business." Given this, many of them expect to see research whaling scaled down.

In a briefing for coastal whalers early this month, an official of the Fisheries Agency, even while saying: "It is impossible to drastically reduce the scale of whaling for the purpose of scientific research easily," indicated the ministry would review the program.

The IWC will listen to views from various countries about the chairman report during its meeting in Roma starting on March 9. Australia, a representative of anti-whaling countries, is determined not to ease its call for abolishing research whaling, but the U.S., the current chair of the IWC, reportedly has said that an agreement could be reached without Australia. The upcoming meeting will also be a crucial juncture for Japan.

(7) Job losses: Safety net full of defects; "Government in reality did not help me"

ASAHI (Page 3) (Abridged slightly)
February 8, 2009

A temporary male staffer (38) working at a auto air-conditioner plant in Shiga Prefecture received a dismissal notice late last year because the company had excess capacity due to production cutbacks.

He only started working in November on a two-month contract. The company pledged that he would be covered by employment and health insurances when his contract was renewed early in the following year. However, the recession prevented him from having his work contract renewed.

It has been nearly three years since he was ejected from the social safety net, losing his employment and health insurances and his pension scheme. After leaving university before graduating, he has worked at various plants as a nonpermanent worker or subcontractor. He quit a food factory in Gifu Prefecture over trouble with a permanent worker. Since then, he has not been able to pay insurance premiums.

After quitting the food factory in Gifu, he lived on the streets for

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a year and a half. He gave up on the idea of applying for welfare benefits, determining that it would be impossible to receive such, if he applied while being homeless. He then found an apartment, not due to public assistance but because he began to earn income by selling the "Big Issue," a magazine aimed at helping homeless people become self-reliant.

This individual, who is now looking for another job, said, "I am worried about my health, because it was tough to live on the streets. I want a health insurance card, but I cannot think of my future, as all I can do is just to support myself on a day-to-day basis."

Another man (51), who worked at an auto parts plant in Tochigi Prefecture, was notified of the termination of his work contract after two years of employment there. He earned 1,200 yen for night work -- about 100,000 yen in a month after the deduction of dormitory fees and heating and electricity expenses. He had no savings. He got by but had to get an advance on his salary when he worked less.

He has become increasingly concerned about his life in the future, such as how to find the next job, when he is in his 50s, where to live after being evicted from the company housing, etc. Applying for welfare benefits has crossed his mind. He queried the local government of his home town in the Tohoku District twice on the

phone. However, an official in charge of social benefits turned down his request, saying, "I am sorry, we cannot pay you welfare benefits, because people like you who are not sick can work. Please find a job and work until you turn 65."

For a while, he seriously thought that the only way he could make a living would be to go to prison. He in the end found a construction-related job. He said, "When I was really in trouble, the state did not help me."

When lifetime employment was common, companies served as a role to provide employees' social security. The mechanism of social security was set, premised on permanent employees. Now that that Japanese-style employment system has collapsed, and one of three workers has become a nonpermanent worker, the number of people who are ousted from the social security network is on the increase.

Relief measures: Social benefit system cold to working generation

A safety net to rescue unemployed people is not fully functioning. People who are entitled to receive unemployment benefits are, in principle, those who have been insured for more than a year. There are cases in which nonpermanent workers who have been hired for a short period of time cannot meet requirements for receiving benefits. There are also many who cannot afford to pay medical insurance and pension premiums due to unstable income.

The last safety net for those whose income base has been undermined is social security benefits. However, Senshu University Professor Naoyoshi Karakama, a specialist in social security studies, lamented: "Now, when streets are full of jobless people, is the time when the social security system should be fully used, and yet, such people in the working generation are not receiving benefits."

It is not unusual for young people in Europe and the U.S. to receive benefits from the social security system. In Japan, among 1.07

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million households that receive social security benefits, those in the working generation -- excluding sick, disabled and elderly people -- account only 200,000 or roughly 20 PERCENT .

Japan's welfare benefit system, which is based on the principles of nondiscrimination and impartiality, does not make any distinction according to age and the cause of poverty. It is said that the system is in fact too harsh on the working generation. According to an investigation by the Japan Federation of Bar Association (JFBA), so-called "water's edge operations," which are illegally designed to prevent young people from receiving welfare benefits, are widely carried out by local governments throughout the nation. For this reason, many workers who were forced out of their jobs do not even go for advice due to misunderstanding that they are not entitled to receive welfare benefits or due to an aversion to the idea of receiving welfare benefits.

A proposal for further tightening the system to the working generation has been made. The expert research group of the Council on Economic and Fiscal Policy has proposed shortening the welfare benefit payment period to five years because of the fiscal burden, which reached 2.63 trillion yen in fiscal 2006 -- up 27 PERCENT over five years.

The U.S. Support System for Temporary Assistance to Needy Families, which started in 1997, is the precedent of the five-year welfare benefit payment. Under that system, the number of recipients decreased 60 PERCENT from the peak period. Cases in which recipients were unable to find jobs after the expiration of the payment, lost houses and are unable to receive sufficient medical services have been reported. The deep-seated view is that if such a system is introduced in Japan, it would no longer be possible to call the welfare system the last safety net, as Hanazono University Professor Atsushi Yoshinaga said.

How to improve situation: Self-reliance effort should be backed with quicker assistance

Cases in which attorneys or members of private-sector organizations accompany jobless people when they go to municipal offices to apply for welfare benefits are becoming visible. Their aim is to help them surmount local governments' so-called water's edge operations intended to turn down applications. Another aim of their accompanying jobless people is to monitor illegal activities seen at the counter of municipal offices. Officials, for instance, refuse to give application forms, saying that since they are young, they should work.

The JFBA last year compiled an amendment to the Public Assistance Law. The key elements of the draft amendment include the introduction of a system to block the water's edge operations and the provision of positive assistance to the working poor. The draft amendment also includes a proposal for enabling people in the low income bracket, whose income only slightly exceeds the level eligible for welfare benefits, to receive housing and medical allowances. The report thus proposes reforming the system to make it more usable. It also aims at helping low income earner become self-reliant.

(8) TOP HEADLINES

Asahi:

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Japan, China to discuss bilateral extradition accord, treaty for repatriation of convicts

Mainichi:

GM reports net loss of 3 trillion yen for 2008: Sales suffer 17 PERCENT drop

Yomiuri:

U.S. to see 171 trillion yen deficit in fiscal 2009

Nikkei:

Government mulls boosting funds for CP purchases, public loans to 4.5 trillion yen

Sankei:

Defense Ministry start mulling intercepting North Korean missiles after introduction of missile defense system

Tokyo Shimbun:

U.S. to boost public fund framework by 24 trillion yen in Budget Message by President

Akahata:

U.S. forces Japan realignment, transfer of marines to Guam: Burden of Okinawa unlikely to decrease; possibility of deployment of another unit

(9) EDITORIALS

Asahi:

(1) To Prime Minister Aso: We call on dissolution of Lower House at early date

Mainichi:

(1) New piracy law: It is necessary to halt easing of guidelines for use of weapons
(2) North Korea's test-launching warning: Even launch of artificial satellite unacceptable

Yomiuri:

(1) Cell-phone use by children: Fill gap in perception between parents and children
(2) Ten years since Japan's first brain transplant: Organs no longer available from abroad

Nikkei:

(1) Pain of South Korean president over economy one year since taking office
(2) Secure safety of medical technology for reproduction

Sankei:

- (1) USFJ curtailment: Democratic Part of Japan President should clarify entire picture of his stance
- (2) New astronauts: Change in selection of candidates indicates Japan's space development has entered turning point

Tokyo Shimbun:

- (1) Children and cell-phones: Many parent do not know reality of situation
- (2) Foreign minister to visit China: Pour oil on trouble waters in East China Sea

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Akahata:

- (1) Financial revitalization: Setting international rules to be called into question

(10) Prime Minister's schedule, February 26

NIKKEI (Page 2) (Full)
February 27, 2009

07:34

Met Deputy Chief Cabinet Secretary Matsumoto at the Kantei.

09:00

Attended a Lower House Budget Committee meeting.

12:13

Called at Imperial Palace to report his return.

12:31

Arrived at the Kantei

14:55

Met Deputy Chief Cabinet Secretary Uruma.

15:21

Met Upper House member Yoriko Kawaguchi, chair of the international committee of nuclear nonproliferation and disarmament. Followed by the Ecuadorean Telecommunications Management Agency Director General Jaramillo, with Internal Affairs & Communications Deputy Vice Minister Terasaki.

16:04

Met Cabinet Office's Vice Minister Yamamoto and Decoration Bureau Director General Fukushima. Followed by International Basketball Federation Chairman Elphinstone, Japan Basketball Association Vice Chairman Samuro and others.

17:07

Met Cabinet Intelligence Director Mitani. Later, met Internal Affairs & Communications Minister Hatoyama, Chief Cabinet Secretary Kawamura, and Uruma. Kawamura stayed behind.

18:24

Met LDP Administrative Reform Promotion Headquarters Head Chuma. Followed by baseball special envoy Sadaharu Oh and others.

19:35

Met his local support group members at the Hotel New Otani.

21:34

Returned to his official residence.

ZUMWALT